

TENNESSEE ALCOHOLIC BEVERAGE COMMISSION

**Agenda
April 22, 2014
1:30 pm**

1. Approval of March 25, 2014 Commission Meeting Minutes

2. RETAIL

A. New Business

**1. CORNER LIQUORS, INC.
GREENBRIER, TENNESSEE (ROBERTSON COUNTY)**

Applicant: CORNER LIQUORS, INC.
Shareholder(s): Anthony Wade Garrison (President 100%)

Before the Commission is a request for expansion of the premises of the retail store located at 2563 Hwy 41 South, Greenbrier, Tennessee 37073. Changes to the existing structure include the addition of 408 square feet (a 12' x 34' showroom area) to the retail store. The corporate applicant's sole shareholder, Anthony Wade Garrison, is investing \$40,000.00 of personal funds for said expansion. Construction of the expansion is conditioned upon approval of the TABC and is planned to begin in the spring of 2014.

The corporate applicant's sole shareholder, Anthony Wade Garrison, is the individual owner/landlord of the real property upon which the licensee/tenant is located and the terms of the lease are not changed, i.e. monthly rent remains at \$2,500.00, and said April 1, 2014 triple net lease allows for unlimited renewal terms of one year each. Additionally, the tenant has paid a security deposit in the amount of \$1,000.

The TABC staff recommends **approval** of this application for the expansion of the premises of the retail store conditioned upon issuance of a certificate of occupancy by the local governing body and TABC final inspection approval upon completion.

**2. JACKSON LIQUORS, INC.
ASHLAND CITY, TENNESSEE (CHEATHAM COUNTY)**

Applicant: JACKSON LIQUORS, INC.
Shareholder(s), Current: Linda D. Jackson (President 100%)

Proposed: Linda D. Jackson (President 50%)
Claude T. Jackson (V-Pres. 50%)

Before the Commission is a request for a transfer of one-half (½) of the ownership shares of the stock of a corporate retail liquor store licensee from wife, Linda D. Jackson to her husband, Claude T. Jackson located at 1317 Hwy 12 South, Ashland

City, Tennessee 37015. Currently permit #3650 is being operated from this location with the current licensee being Jackson Liquors, Inc., and said corporation's sole shareholder currently is Linda D. Jackson, President. The total purchase price of the transfer of the shares of stock is zero dollars (\$0.00) however husband will be investing an additional twenty thousand dollars (\$20,000.00) if needed.

Claude T. Jackson provided his statement of financial condition to the TABC, via a personal financial statement, IRS form 1040 and bank statements.

The real property upon which the retail store is to be located remains owned by Michael W. Jackson and wife, Deanna M. Jackson, landlords, and the lease between landlords and applicant/tenant was for an initial term of five (5) years beginning December 1, 2008 with four (4) consecutive additional renewal terms of five (5) years each. Lease payments are set at five hundred dollars (\$500.00) per month for the five (5) year term beginning December 1, 2013.

All documentation and agency requirements have been submitted and complied with by the applicant.

The TABC staff recommends **approval** of this application for the transfer of one-half (½) of the ownership shares of the stock of a corporate retail liquor store licensee from wife, Linda D. Jackson to her husband, Claude T. Jackson.

3. BOOTLEGGERS LIQUOR WOODBURY, TENNESSEE (CANNON COUNTY)

Applicant: Thomas R. Mears, Jr., Sole Proprietor
d/b/a Bootleggers Liquor

Before the Commission is a request for a transfer of location of an existing retail store from its present location of 940 South McCrary Street, Woodbury, Tennessee, 37190, to its proposed new location at 810 McMinnville Highway, Woodbury, Tennessee 37190. This request being made due to Thomas R. Mears, Jr., sole proprietor of the retail store, having individually purchased the real property of the proposed new location site. No lease has been entered into nor is one required as Mr. Mears, as an individual, is the sole owner of the proposed real property and the retail store.

The TABC staff recommends **approval** of this application for the transfer of location of an existing retail store conditioned upon TABC final inspection approval after completion of the relocation.

4. LL HOLDINGS, LLC DYERSBURG, TENNESSEE (DYER COUNTY)

Applicant: LL HOLDINGS, LLC
d/b/a Lucky Liquor
Member(s): Michelle H. Countess (Managing Member 100%)

Before the Commission is a request for a new retail store license to be located at 1938 St. John Avenue in Dyersburg, Tennessee; 38024. Michelle Countess plans to invest a total of \$60,000.00 plus inventory costs in the business and is borrowing

\$71,726.02 from the First Citizens National Bank as evidenced by a copy of the executed promissory note provided and verified by TABC staff. Mrs. Countess and husband, Charles D. Countess, purchased the real property upon which the retail applicant is to be located in 2007. The applicant, L L Holding, LLC will rent the premises from Charles D. and Michelle Countess, (Michelle Countess, property manager) on a month-to-month basis at a rental of \$1,000.00 per month, payable in advance on the 1st day of each and every succeeding calendar month.

The TABC staff recommends **conditional approval** of this application pending receipt of the following:

- a. \$850.00 license fee
- b. ABC Inspection
- c. Acknowledgement of ABC Rules and Regulations
- d. Questionnaire from Husband, Charles D. Countess- subject to review by TABC staff
- e. Updated Questionnaire from Michelle Countess with corrected amount of investment from personal funds.

**5. JEFFREY MOORE
MEMPHIS, TENNESSEE (SHELBY COUNTY)**

Applicant: Jeffrey Moore, Sole Proprietor
d/b/a Moore's Liquors

Before the Commission is a request for a new retail store license to be located at 1225 Winchester in Memphis, Tennessee; 38116. Mr. Moore plans to invest \$35,000.00 in personal funds as verified by the TABC staff. Mrs. Devora Moore will be lending Mr. Moore \$5,000.00, but will have no part of the business or ownership in the business going forward. Mr. Moore will be leasing approximately 1,500 square feet of commercial space from Kevin Cassey Sr. Mr. Cassey purchased the real property in 2013. The lease period is set for two years and two months, beginning the 1st of April 2014, and ending on the 31st day of May, 2016. Terms of the lease include \$1,350.00 security deposit due at the signing of the lease, and \$1,350.00 due the first day of each month starting April 1, 2014 and continuing through May 31, 2016.

The TABC staff recommends **conditional approval** of this application pending receipt of the following:

- a. \$850.00 license fee
- b. Certificate of Occupancy
- c. ABC Inspection
- d. Acknowledgement of ABC Rules and Regulations

**6. KARDOUSH, LLC
GERMANTOWN, TENNESSEE (SHELBY COUNTY)**

Applicant: KARDOUSH, LLC
d/b/a Germantown Village Wines and Liquors
Member(s): Charles N. Kardoush (Managing Member 50%)
Michael I Kardoush (Member 50%)

Before the Commission is a request for a new retail store license to be located at 7730 Poplar Ave. #5 in Germantown, Tennessee; 38138. The applicant, LLC plans to invest \$800,000.00 in personal funds obtained from the sale of their previous retail store (Caesar's Wine & Liquor), as verified by TABC staff. The applicant and Germantown Village Square Joint Venture, a Tennessee general partnership, entered into a lease agreement in August of 2013 for a term of ten years and three months. The lease terms are as follows: Months 1-3 will be \$0.00 per month, months 4-63 will be \$9,790.00 per month, months 64-123 will be \$10,490 per month, and an option term for months 124-183 would be in the amount of \$12,065.00 per month.

The TABC staff recommends **denial** of this application in as much the applicant that the applicant retains a direct interest in the former retail store (Caesar's Wine & Liquor) by way of promissory note held by applicant LLC, and lease between applicant and formerly owned retail store- all of which are prohibited pursuant to T.C.A. §§ 57-3-204(b)(3)(B) and 57-3-406(a).

T.C.A. § 57-3-204(b)(3)(B) states:

No person owning stock in such corporation shall have any interest as partner or otherwise, either direct or indirect, in a business licensed to engage in the sale or distribution of intoxicating liquors in Tennessee; and

T.C.A. § 57-3-406(a) states:

No retailer licensed under § 57-3-204 shall, directly or indirectly, operate more than one (1) licensed retail business in this state. "Indirectly" means any kind of interest in such a retail business by way of stock ownership, loan, partner's interest or otherwise.

Please note, the applicant did not disclose this interest to the TABC staff, and it is within the Commission's authority to refuse to issue a license or permit on this basis, pursuant to T.C.A. § 57-3-104(c)(2).

3. WINERIES

A. NEW BUSINESS

4. FARM WINERIES

A. NEW BUSINESS

5. WHOLESALERS

A. NEW BUSINESS- NONE

B. OLD BUSINESS

1. CHEROKEE WINE & SPIRITS, INC.
KNOXVILLE, TENNESSEE (KNOX COUNTY)

Before the Commission is a request for reconsideration of the TABC decision on February 25, 2014 regarding the application of Cherokee Wine & Spirits, Inc. (“Cherokee”) to amend its wholesaler’s license. Cherokee requests the Commission fully approve Cherokee’s application to amend without condition and without penalty.

On February 25, 2014, the TABC staff recommended conditional approval of a transfer of ownership pending receipt of a \$1,500.00 civil penalty for the transfer of ownership that occurred on January 1, 2014, prior to Commission approval. Cherokee acknowledges the effective date of transfer was January 1, 2014 but contends the stock certificates and the consideration for the shares were and are being held in escrow pending approval.

This request for reconsideration was timely filed on March 24, 2015.

The February 25, 2014 Minutes are copied, in part, below:

CHEROKEE WINE & SPIRITS, INC.
KNOXVILLE, TENNESSEE (KNOX COUNTY)

Applicants: Cherokee Wine & Spirits, Inc.
Wholesale Permit No. 76

Proposed:

George B. Sampson (200 shares of voting common stock & 17,460 shares of non-voting common stock)
Mary Ellen Brewington (200 shares of voting common stock & 19,900 shares of non-voting common stock)
Trust U/W Nell L. Sampson FBO Nell Leigh Brewington (2,512.375 shares of non-voting common stock)
Trust U/W Nell L. Sampson FBO Nicholas Sampson Brewington (2,512.375 shares of non-voting common stock)
Trust U/W Nell L. Sampson FBO Steven Michael Brewington (2,512.375 shares of non-voting common stock)
Trust U/W Nell L. Sampson FBO George B. Sampson, Jr. (2,512.375 shares of non-voting common stock)
Trust U/W Nell L. Sampson FBO James Michael Sampson (2,512.375 shares of non-voting common stock)
Trust U/W Nell L. Sampson FBO Lauren Brooks Sampson (2,512.375 shares of non-voting common stock)

Trust U/W Nell L. Sampson FBO Kristen Margaret Sampson (2,512.375 shares of non-voting common stock)

Trust U/W Nell L. Sampson FBO Steven Mitchell Sampson (2,512.375 shares of non-voting common stock)

The George B. Sampson Family Trust dated October 26, 2012 (2,440 shares of non-voting common stock)

Before the Commission was a belated request for approval of a transfer of ownership of some of applicant corporation's 80,000 shares of previously authorized and outstanding non-voting common stock and 398 shares of its voting common stock to certain trusts and officers of the corporation and to acknowledge, because it was made a part of this application, the election of Mr. W. James Pugh, Jr., as Vice President and Chief Financial Officer by applicant corporation's Board of Directors.

The TABC staff recommended conditional approval of this transfer of ownership upon receipt of payment of the civil penalty of \$1,500.00.

Discussion/Action Taken:

Director Bell reviewed the matter to the Commission and recommended approval of the application.

Commissioner Jones made a motion to approve the transfer of ownership of the wholesaler upon receipt of payment of the civil penalty. Commissioner McDaniel seconded the motion and the motion passed with 2 ayes. **-Regulatory Citation issued (RI-14-1089), Payment not received as of 03/18/2014**

5. DISTILLERY

A. NEW BUSINESS- None

6. PRIVATE CLUBS

A. NEW BUSINESS- None

7. BUDGET- None

8. PENDING MATTERS LIST

A. Commission Meeting Dates for the 2014 calendar year

May 27, 2014

9. PERSONNEL-NONE

10. DATE OF NEXT MEETING—May 27, 2014